



INSURANCE ASSOCIATION
OF CONNECTICUT

Statement

Insurance Association of Connecticut

Judiciary Committee

March 6, 2015

HB 7194, AN ACT CONCERNING EXCEPTIONS TO THE TEN-YEAR REPOSE PERIOD FOR CERTAIN

PRODUCT LIABILITY CLAIMS.

I am Eric George, President of the Insurance Association of Connecticut (the IAC). The IAC is opposed to HB 7194, An Act Concerning Exemptions to the Ten-Year Repose Period for Certain Product Liability Claims, which seeks to eliminate the requirement that a claimant not be entitled to compensation under the Connecticut Workers' Compensation statutes when determining the repose period for a product liability claim in which the claimant alleges that harm occurred during the useful sale life of the product.

Statutory periods of repose, similar but not identical to statutes of limitations, are designed to protect parties from limitless litigation. For situations involving products liability actions, the difference between a statute of limitations and a statutory period of repose is that, with a statute of limitations, lawsuits may only be allowed to be brought within a set number of years after the product causes an injury. By comparison, a statutory period of repose may bar an action after a certain number of years from the date when the product was initially delivered. For example, if a defective product sold to a consumer more than ten years ago injures someone, a ten-year statutory

period of repose (which starts on the product's purchase date) might bar a claim even if the statute of limitations (which starts on the date of injury) does not.

HB 7194 would allow individuals who are receiving workers' compensation to also have the ability to sue under a products liability theory without the current liability limitations required under Connecticut's statutory period of repose.

The IAC opposes HB 7194 for two reasons.

First, such a deviation from the existing statutory period of repose liability limitations will increase the costs of litigation for insurers, as they undoubtedly will be faced with an increased number of lawsuits. This will have a direct impact on the cost of these insurers doing business in Connecticut.

Second, HB 7194 directly cuts against the "exclusivity" that was intended by Connecticut's workers' compensation system.

By way of back ground, workers' compensation is premised on the "Grand Bargain." Employers benefit from reduced financial liability for work-related injuries and diseases and, in return, employees benefit from a no-fault system in which they receive prompt medical care and disability pay for injuries sustained while working. Connecticut's workers' compensation system is one of the most generous and fair systems in the entire country. However, HB 7194 would undermine this "Grand Bargain."

The IAC thanks this Committee and asks you to oppose HB 7194.